2004
GUIDEBOOK FOR
CANDIDATE COMMITTEES

State of Hawaii
Campaign Spending Commission

January, 2004

ATTENTION CANDIDATES

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CANDIDATES SHOULD INFORM CONTRIBUTORS OF THE FOLLOWING REQUIREMENT:

THE CAMPAIGN SPENDING LAW REQUIRES ANY "ORGANIZATION, ASSOCIATION OR INDIVIDUAL" THAT ACCEPTS OR MAKES A CONTRIBUTION OR EXPENDITURE IN AGGREGATE OF MORE THAN $1,000 DURING AN ELECTION PERIOD TO REGISTER AS A NONCANDIDATE COMMITTEE AND REPORT WITH THE CAMPAIGN SPENDING COMMISSION.

FOR PURPOSES OF THE CAMPAIGN SPENDING LAW, ANY ORGANIZATION, ASSOCIATION OR INDIVIDUAL, INCLUDING ANY BUSINESS ENTITY IS BY DEFINITION CONSIDERED A "NONCANDIDATE COMMITTEE." AN ELECTION PERIOD IS DEFINED AS THE TWO-YEAR PERIOD BETWEEN GENERAL ELECTION DAYS. FAILURE TO FILE REQUIRED REPORTS SHALL RESULT IN A PENALTY.

> ANY INDIVIDUAL MAKING A CONTRIBUTION OR EXPENDITURE OF THE INDIVIDUAL'S OWN FUNDS ARE EXEMPT FROM THIS REQUIREMENT.

Candidates are urged to inform contributors to contact the Campaign Spending Commission office for more information regarding reporting requirements. Noncandidate committee forms are available at the Commission's office or website - www.hawaii.gov/campaign.

Questions Frequently Asked by Candidates

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1. **Do I have to file an Organizational Report?**

   Each candidate that files nomination papers with the Office of Elections must register with the Commission by filing an Organizational Report (Form CC-1)

2. **When must I file reports?**

   A reporting schedule is part of this guidebook, with the packet of information you received or on the Commission's website. For further information contact the Commission office (808) 586-0285.

3. **What must be reported?**

   All contributions and expenditures, monetary or non-monetary, must be fully disclosed on forms provided by the Commission.

4. **Do I need a Treasurer?**

   It is strongly recommended that a Treasurer be appointed and that the person be someone other than the candidate. The Treasurer is responsible for all monies received and disbursed by the candidate committee.

5. **What information is needed on advertisements?**

   All advertisements, except sundry items, must include a "disclaimer" stating the name and address of the person paying for the ad. If the candidate does not pay for the ad, the ad should state whether it is or is not approved by the candidate.

6. **What is the contribution limits for candidates?**

   Contribution limit for a two-year office $2,000; for a four-year non-statewide office $4,000; and for a four-year statewide office $6,000. Limits are for the two-year and four-year election period.

7. **How do I open a bank account?**

   Each bank has its own requirements. For more information check the "Treasurer's Manual."

8. **How can I get public funding?**

   For information on qualifying and applying for public funds check the "Public Funding Guidebook."

SCHEDULE OF REPORTING DATES
2004 ELECTION PERIOD
Candidate Committee
(Schedule for candidates who are running in the 2004 election)

Organizational Report (Form CC-1)

To be filed within ten days from the date a candidate or candidate committee receives any contributions or makes any expenditure, the aggregate amount of which is more than $100. If the threshold is not exceeded, candidates must file the Organizational Report within ten days of filing nomination papers with the chief election officer or county clerk.

Affidavit Of Compliance With Voluntary Campaign Expenditure Limits (Form CC-2)

To be filed by the time of filing nomination papers with the chief election officer or county clerk. (Voluntary)

Statement Of Intent To Seek Qualifying Campaign Contributions (Form CC-4)

To be filed prior to contributions being considered as qualifying campaign contributions for matching public funds.

REPORT	REPORTING PERIOD	REPORTING DATE
Supplemental	November 6-December 31, 2002 *(This report is the first report for the election period. Column B of the Disclosure Report (Form CC-5) should reflect totals for the applicable election period: Candidates running for a **two-year office - 11/6/02-11/2/04** and for a **four-year office - 11/8/00-11/2/04 or 11/6/02-11/7/06**)*	January 30, 2003
Supplemental	January 1-June 30, 2003	July 30, 2003
Supplemental	July 1-December 31, 2003	January 30, 2004
1st Preliminary Primary	January 1-June 30, 2004	July 30, 2004
2nd Preliminary Primary	July 1-September 3, 2004	September 8, 2004
Late Contributions	September 3-September 14, 2004 *(Report is to be filed for the reporting of contributions aggregating more than $500 that are received within the period of fifteen calendar days through four calendar days prior to a primary, special primary, general, or special general election.)*	September 15, 2004
Primary/1st Special Election		**September 18, 2004**
Final Primary	September 4-18, 2004	October 8, 2004
Expenditures Of Public Funds	January 1-September 18, 2004 *(Required by candidates who have received public funds from the Campaign Spending Commission.)*	October 8, 2004
Preliminary General	September 19-October 18, 2004 *(If you were unsuccessful in the Primary/1st Special Election, you do not need to file this report, next report due-Final Election Report.)*	October 22, 2004
Preliminary General	January 1-October 18, 2004 *(First report for candidates running for the Office of Hawaiian Affairs.)*	October 22, 2004

Late Contributions	October 18-29, 2004 *(Report is to be filed for the reporting of contributions aggregating more than $500 that are received within the period of fifteen calendar days through four calendar days prior to a primary, special primary, general, or special general election.)*	October 29, 2004
General/2nd Special Election		**November 2, 2004**
Final Election Period	October 19-November 2, 2004	December 2, 2004
Final Election Period	September 19-November 2, 2004 *(If you were unsuccessful in the Primary/1st Special Election, you did not need to file a Preliminary General Report, but this report is due to complete the election period.)*	December 2, 2004
Final Election Period	January 1-November 2, 2004 *(Candidates who checked-off the $1,000 or less aggregate contributions or expenditures for the election period box on the Organizational Report, did not need to file preliminary primary and final primary report and a preliminary general report, but shall file only this report for the election period.)*	December 2, 2004
Expenditures Of Public Funds	January 1-November 2, 2004 *(Required by candidates who have received public funds from the Campaign Spending Commission.)*	December 2, 2004
Application For Public Funds	LAST DAY TO APPLY *Primary/1st Special Election Matching Payment Period - 1/1/04-9/18/04* *General/2nd Special Election Matching Payment Period - 1/1/04-11/2/04*	December 2, 2004

At the conclusion of an election, candidates with a surplus or deficit are required to continue reporting with the Commission until the surplus has been disbursed or the deficit has been cleared (contact the Commission office to obtain the applicable reporting schedule). Candidates must file the "Request for Registration Termination" form to close their file with the Commission.

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This guidebook is provided as a reference and informational source. It should not be construed to constitute legal advice or authority.

Readers should consult the Hawaii Revised Statutes and other sources for a complete and legal basis of the law or seek assistance from the Commission.

INTRODUCTION

The Campaign Spending Commission ("Commission") has prepared this Guidebook pursuant to section 11-193(a)(2), Hawaii Revised Statutes ("HRS"), to assist candidates in complying with the reporting requirements of the campaign spending law. Also, available is the "Campaign Treasurer's Manual" for campaign treasurer's as a guide on recordkeeping of contributions and expenditures of a candidate's campaign.

Getting More Help

Oahu Candidates:

The Commission office is open from 7:45 a.m. to 4:30 p.m., Monday through Friday. The office is closed on regular state holidays. If there are any questions regarding the reporting requirements or you would like to request forms, please contact our office:

Campaign Spending Commission
Leiopapa A Kamehameha Building
235 South Beretania Street, Room 300
Honolulu, Hawaii 96813
Telephone: (808) 586-0285
Fax: (808) 586-0288
Web Page: www.hawaii.gov/campaign

Neighbor Island Candidates:

For telephone inquiries, please call the toll-free number for your respective island:

Kauai	274-3141
Maui	984-2400
Hawaii	974-4000
Molokai	1-800-GOV-INHI (486-4644)
Lanai	1-800-GOV-INHI

An automated voice will instruct you to dial the last five digits of the state office you wish to reach. For the Commission, the last five digits are 60285.

CHAPTER I

FILING REPORTS

Who Reports

An individual who runs for an elective office becomes a candidate under the campaign spending law and must file an organizational report and periodic reports of campaign contributions and expenditures on forms prescribed by the Commission or on-line using the Hawaii Electronic Reporting and Tracking System ("HERTS") program.

Where to File Reports

Candidates are required to submit an original and one copy of all reports filed with the Commission. Neighbor Island candidates filing directly with the Commission or their respective County Clerk's office are required to submit an original and two copies of all reports. Neighbor Island candidates are not restricted from filing directly with the Commission. Alternatively, candidate committees using HERTS who file on-line need not file a hard copy of the report.

Oahu Candidates:	Campaign Spending Commission 235 South Beretania Street, Room 300 Honolulu, Hawaii 96813	
Hawaii Candidates:	County Clerk's Office/Elections Division 25 Aupuni Street, Room 105 Hilo, Hawaii 96720	(808) 961-8277
Maui Candidates:	County Clerk's Office/Elections Division 200 South High Street, 7^{th} Floor Wailuku, Hawaii 96793	(808) 243-7749
Kauai Candidates:	County Clerk's Office/Elections Division 4396 Rice Street, Room 106 Lihue, Hawaii 96766	(808) 241-6350

Reports

<u>Filing of Reports</u>

Disclosure reports required to be filed by a candidate or a candidate's committee shall be certified by the candidate and treasurer. Whenever a report is required "filed" means the report shall be received (hard copy or on-line) in the office of the Commission or County Clerk whichever is applicable, by the date and time specified for the filing of the report. **(Post-dated and Facsimile reports are not accepted as filed in a timely manner.)** Failure to file the required report will result in a penalty of $50.

Where any reporting deadline falls on a holiday or weekend, the deadline shall be the lasting working weekday prior to the date the report is due.

Election Year Reporting *

Election years are years where there are scheduled state and local elections (even-numbered years). Candidates who are on the ballot in the election year need to follow the requirements for election year reporting.

Preliminary Reports

A 1st Preliminary Primary report must be filed no later than 4:30 p.m. on July 30th of the year of the primary election. This report shall contain campaign financial activity current through the thirtieth calendar day prior to the thirtieth of July.

A 2nd Preliminary Primary report must be filed no later than 4:30 p.m. on the tenth calendar day prior to the Primary Election. This report shall contain campaign financial activity current through the fifth calendar day prior to the filing of the 2nd Preliminary Primary report.

A Preliminary General report must be filed no later than 4:30 p.m. on the tenth calendar day prior to the General Election. **A Preliminary General report is not required from candidates who were unsuccessful in the Primary Election and whose name will not appear on the General Election ballot.**

Final Reports

A Final Primary report must be filed no later than 4:30 p.m. on the twentieth calendar day after the Primary Election.

A Final Election Period report must be filed no later than 4:30 p.m. on the thirtieth calendar day after the General Election. **In addition to those candidates whose name appeared on the General Election ballot, a Final Election Period report is required to be filed by candidates who were unsuccessful in the Primary Election and who are still registered with the Commission.**

Final election reports cover campaign financial activity through the day of the applicable Primary or General Election.

Supplemental Report

The first Supplemental report must be filed no later than 4:30 p.m. on the thirtieth calendar day after the last day of an election year. This Supplemental report covers financial activity from the day after the General Election through the last day of the election year.

Short Form Reporting

A candidate whose aggregate contributions and expenditures for the reporting period each total $2,000 or less may file a Short Form (Form CC-5).

* References in this guide and elsewhere refer to primary election and general election. Elections for county offices held in conjunction with the primary and general election are called First Special Election and Second Special Election for Hawaii County, Maui County and the City and County of Honolulu, and First Nonpartisan Election and Second Nonpartisan Election for Kauai County. Unless specifically noted otherwise, Primary Election refers to the First Special Election or First Nonpartisan Election and General Election refers to the Second Special Election or Second Nonpartisan Election for the respective county elections.

Late Contribution Reporting

A candidate that receives contributions in the aggregate of more than $500 within the period of fifteen calendar days through four calendar days prior to a primary, special primary, general, or special general election is required to file a Late Contribution report with the Commission no later than three calendar days prior to the election

Special Reporting

A candidate whose aggregate contributions and expenditures for the election period total $1,000 or less need not file preliminary and final primary, preliminary general, or special election reports, but shall file a final election period report.

Candidates are required to notify the Commission when completing the Organizational Report if they do not plan to receive contributions or make expenditures of more than $1,000 for the election period. Failure to notify the Commission will require the filing of the required campaign spending reports

Should a candidate exceed the $1,000 amount, at any time during the election period, the candidate must file the next required report be it a preliminary, final or special election report and cover all activity from the beginning of the candidates campaign through the closing of the respective reporting period. All subsequent reports must be filed thereafter until the candidate terminates candidacy with the Commission.

Nonelection Year Reporting

Nonelection years are years in which there are no regularly scheduled state and local elections (odd-numbered years).

During a nonelection year, all candidates who are registered with the Commission and have a surplus or deficit are required to file two supplemental reports. Supplemental reports must be filed until a candidate files to be on the ballot with the Office of Elections or terminates their registration with the Commission

- The first Supplemental report, covering financial activity through June 30th, must be filed no later than 4:30 p.m. on the thirtieth calendar day after June 30th.
- The second Supplemental report, covering financial activity through December 31st, must be filed no later than 4:30 p.m. on the thirtieth calendar day after December 31st.

Receipts, Public Inspection of Reports and Restrictions

Receipts

The Commission or County Clerk is required to give each candidate filing a report a receipt stating the type of report filed and the date and time of the filing. The receipt serves to notice only that the Commission has received the report. Neither the acknowledgment nor the acceptance of the report constitutes expressed or implied approval, or in any manner indicates that the contents of the report fulfills the requirements of the campaign spending laws and rules of Hawaii.

Public Inspection and Copies of Reports

All reports filed with the Commission and County Clerk's office will be open for public inspection and will be preserved by these offices for ten years. Copies of reports may be purchased in person from the Commission's office or be requested via telephone, fax, mail or e-mail. Neighbor Island residents may make their requests directly to the Commission's office.

Reports of candidates filing on-line may be accessed from the Commission's website - www.hawaii.gov/campaign.

Restrictions

The campaign spending law prohibits anyone from selling or using information from candidate reports for the purpose of soliciting contributions or for any commercial purpose.

CHAPTER II

HOW TO GET STARTED

Individual Qualifies as a Candidate

Under the campaign spending law an individual qualifies as a candidate when the individual does any of the following:

- Files nomination papers for an office with the county clerk's office or with the office of elections, whichever is applicable;
- Receives contributions in an aggregate amount of more than $100 or makes or incurs any expenditures of more than $100 to bring about an individual's nomination for election, or to bring about the individual's election to office;
- Gives consent for any other person to receive contributions or make expenditures to aid the individual's nomination for election, or the individual's election to office; or
- Is certified to be a candidate by the chief election officer or county clerk.

Candidate Registration

A candidate shall register with the Commission by filing an Organizational Report, which shall be filed within ten days of receiving or expending more than $100, or within five day of filing nomination papers for an office with the chief election officer or county clerk.

Designated Central Committee

A candidate for statewide or county office who is supported by more than one committee must designate a central committee that shall be responsible for aggregating the contributions and expenditures of all committees directly associated with the candidate.

Organizational Report

The organizational report requires the disclosure of the following information:

<u>Election Period</u>

The election period is the two-year or four-year period in which the candidate expects to be on the election ballot for an office.

<u>Name and Mailing Address of the Candidate and Candidate Committee</u>

The candidate name, committee name and mailing address are required to be included on the organizational report. The mailing address provided on the organizational report is the address the Commission will use to mail correspondence to the candidate. It is recommended that post office boxes or business addresses not be used.

The candidate must also provide: web page and e-mail addresses (if available), office sought, district/county, party affiliation, and the headquarters mailing address and phone number.

<u>Type of Report</u>

New Committee: A new committee is a committee that is not on the files of the Commission at the time the Organizational Report is being filed.

Amended: Amended Organizational Reports must be filed no later than 4:30 p.m. on the tenth calendar day after the change is brought to the attention of the candidate or treasurer.

Chairperson and Deputy Chairperson

The candidate is required to appoint at least one chairperson. The chairperson's name mailing address and the business and residence phone number must be provided. The chairperson is also required to sign the Organizational Report certifying acceptance of the appointment.

A deputy chairperson may be appointed but is not required. In the event that a deputy chairperson is appointed, the candidate must provide the name, mailing address, and the business and residence phone number of the deputy chairperson.

Treasurer and Deputy Treasurer

The candidate is required to appoint at least one treasurer. **The candidate may appoint oneself as treasurer, however, this practice is discouraged.** The treasurer's name, mailing address, and the business and residence phone number must be provided. The Treasurer is also required to sign the Organizational Report certifying acceptance of the appointment.

A deputy treasurer may be appointed but is not required. In the event that a deputy treasurer is appointed, the candidate must provide the name, mailing address, business and residence phone number of the deputy treasurer.

Only an appointed treasurer or deputy treasurer is authorized to receive contributions or make expenditures on behalf of the candidate. In case of death, resignation, or removal of the treasurer, the candidate committee shall promptly appoint a successor. During the period the office of treasurer is vacant, the candidate, chairperson or deputy treasurer shall serve as treasurer. Once the appointment has been made, an amended Organizational Report should be filed with the Commission within ten days.

Committee Depository (Bank)

The candidate is required to open at least one committee depository to maintain contributions and for making of expenditures. The committee depository must be with a financial institution duly authorized to do business in the state, such as a bank, savings bank, savings and loan association, depository financial services loan company, credit union, intra-Pacific bank, or similar financial institution, the deposits or accounts of which are insured by the Federal Deposit Insurance Corporation, or the national credit union administration. The depository's name, address and account number must be provided.

Commingling: Campaign contributions may **not** be commingled with a candidate's personal or any other funds.

Notice of $1,000 or Less in Activity

Candidates whose aggregate contributions or expenditures for the election period total $1,000 or less need not file a preliminary, a final primary, a preliminary general, or special election reports, but shall file a final election period report. Checking the appropriate box on the organizational report makes notification to the Commission.

Candidates that fail to notify the Commission will be expected to file the required campaign spending reports. Failure to file the required reports shall result in a penalty of $50 for each report not filed by the report due date.

Schedule A (Form CC-5(A))

When filing the organizational report, candidates are required to provide the name, address and contribution amount for each contributor who has contributed an aggregate amount of more than $100 since the last election. This is accomplished by attaching Schedule A to the organizational report.

Code of Fair Campaign Practices

The Code of Fair Campaign Practices provides guidelines for a candidate to conduct their campaign.

ELECTION PERIOD

STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

ORGANIZATIONAL REPORT
CANDIDATE COMMITTEE

FOR OFFICE USE ONLY
REG NO.
DATE

PLEASE TYPE OR PRINT CLEARLY WITH INK (INSTRUCTIONS ON THE BACK)

1. CANDIDATE AND CANDIDATE COMMITTEE:

(a) Candidate Name:

(b) Committee Name:

(c) Mailing Address:

(d) Phone: (Bus) (Res)

2. E-mail Address:

3. Office Sought:

4. District/County:

5. Party Affiliation:

6. Headquarter's Address:

(a) Headquarter's Phone:

7. THIS REPORT IS FILED FOR THE FOLLOWING PURPOSE:
(Check One Box)

(a) ☐ Registration of New Committee

(b) ☐ Amended

An amended report is due 10 days after a change is brought to the attention of the candidate or candidate committee.

8. COMMITTEE DEPOSITORY (Bank):

(a) Depository Name:

(b) Address:

(c) Account Number: ☐ Savings ☐ Checking

(d) Attach a list for additional Depository accounts.

DESIGNATED OFFICERS:

9. CHAIRPERSON (Required)

(a) Full Name:

(b) Mailing Address:

(c) Phone: (Bus) (Res)

(d) I hereby accept this appointment as Chairperson.

Sign & Date

10. TREASURER (Required)

(a) Full Name:

(b) Mailing Address:

(c) Phone: (Bus) (Res)

(d) I hereby accept this appointment as Treasurer.

Sign & Date

11. DEPUTY CHAIRPERSON

(a) Full Name:

(b) Mailing Address:

(c) Phone: (Bus) (Res)

12. DEPUTY TREASURER

(a) Full Name:

(b) Mailing Address:

(c) Phone: (Bus) (Res)

PLEASE READ CAREFULLY AND CHECK THE BOX IF IT APPLIES:

☐ I do not plan to receive contributions or make expenditures in aggregate of more than $1,000 during the election period. If I exceed the $1,000 threshold, I understand that I must submit the required Disclosure Reports. Failure to file the required Disclosure Reports is a violation pursuant to Section 11-193(5), Hawaii Revised Statutes, and will result in a penalty.*

I hereby certify that the information on this report is true, correct and complete to the best of my knowledge.

Candidate Signature Date Treasurer Signature Date

Form CC-1 (Rev. 5/99)

CHAPTER III

CONTRIBUTIONS

What is a Contribution?

A contribution is anything of value given to influence the nomination for election, or election, of any candidate to office. A contribution also includes the following:

- A gift;
- Subscription;
- Deposit of money or anything of value including personal services;
- Cancellation of a debt or legal obligation; and
- Purchase of tickets to fundraisers.

Types of Contributions

A monetary contribution may be made by check or cash (currency). Cash contributions of more than $100 shall not be accepted by the candidate without issuing a receipt to the contributor.

<u>Non-monetary Contributions</u>

Non-monetary contributions include, but are not limited to the following:

- The donation of goods offered without charge or at an unreasonably low charge;
- The payment, by any person other than a candidate of compensation for the personal services or services of another person which are rendered to the candidate without charge or at an unreasonably low charge;
- An expenditure made in cooperation, consultation, or concert with, or at the request or suggestion of a candidate; and
- The financing by any person or political party of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written or other campaign materials prepared by the candidate, the candidate's committee or agents.

<u>Limits</u>

The fair market value of a non-monetary contribution or the usual and normal charge counts against the same contribution limits as a monetary contribution.

<u>Fair Market Value</u>

- Goods (such as facilities, equipment, supplies and consumable items) are valued at the price the facility or item would cost if purchased or rented at the time the non-monetary contribution is made. For example, if someone donates the use of a facility, the non-monetary contribution equals the usual and normal charge to rent the facility at the time of the non-monetary contribution.
- Services (such as consultant services) are valued at the prevailing commercial rate at the time the services are rendered.

Volunteers (such as sign wavers)

When services are volunteered--not paid for by any person--the activity is not considered a non-monetary contribution. However, if someone other than the candidate, pays volunteers for their services, the activity is no longer considered volunteering and the payments result in a non-monetary contribution to the candidate.

Loans

A loan is an advance of money, goods, or services with a promise to repay in full or in part within a specified period of time. Any loan to a candidate in excess of $100 shall be documented and disclosed as to lender including the lender's name, address, employer, and occupation and purpose of the loan. A copy of the executed loan document is required to be submitted to the Commission with the required report. Failure to document the loan or disclose the loan to the Commission shall cause the loan to be treated as a contribution.

Loans must be reported as a debt until fully repaid. In the event that a lender cancels the debt (forgives loan) in whole or in part, the amount of the cancelled debt (loan) shall be treated as a contribution and will be applied to the contribution limit for that person.

Fundraiser Tickets

The entire amount paid to attend a political fundraiser or to purchase a fundraiser ticket is a contribution. For example, if a contributor pays $100 to buy a fundraising ticket to a fundraising golf tournament, he or she has made a $100 contribution to the candidate, even though the golf fees may have cost the candidate $35.

Earmarked Contributions

An earmarked contribution is a contribution received by a committee or party on the condition that the funds be contributed or expended on certain candidates. Note that when a party collects and transmits earmarked contributions to a candidate, the amount of the earmarked contribution is counted toward the contribution limit of the party and the person contributing such funds.

Contribution Limits

Under the campaign spending law, contributions to candidates are subject to limits. This section examines the laws concerning the limits placed on contributions to a candidate's campaign.

Election Period (Contribution Aggregation Period)

The election period also known as the contribution aggregation period is defined in the campaign spending law as the period between general election days if a candidate is seeking nomination or election to a two-year office, and the period between general election days if a candidate is seeking nomination or election to a four-year office. The current election periods are as follows:

- Two-year office - November 6, 2002 through the day of the next general election, November 2, 2004.
- Four-year office (nonstatewide and statewide) - November 8, 2000 through the day of the next general election, November 2, 2004.
- Four-year office (nonstatewide and statewide) - November 6, 2002 through the day of the next general election, November 7, 2006.

Limits for Individuals, Other Entities, Noncandidate Committees, Political Parties, and Political Committees Established and Maintained by a National Political Party

The contribution limits to candidates vary according to the office that a particular candidate is seeking. The contribution limits that apply are as follows:

- A candidate seeking nomination or election to a two-year office, aggregate contributions not to exceed $2,000 during an election period;
- A candidate seeking nomination or election to a four-year nonstatewide office, aggregate contributions not to exceed $4,000 during an election period;
- A candidate seeking nomination or election to a four-year statewide office, aggregate contributions not to exceed $6,000 during an election period.

The following is a list of offices associated with the respective contribution limit unless otherwise provided by law:

Two-Year ($2,000)	State House of Representative County Council (Hawaii, Maui, Kauai)
Four-Year Nonstatewide ($4,000)	State Senate Mayor Prosecuting Attorney City Council (Honolulu) Board of Education
Four-Year Statewide ($6,000)	Governor Lt. Governor Office of Hawaiian Affairs

Limits for the Candidate's Immediate Family

Contributions from a candidate's immediate family are exempt from the limitations on individuals and other entities, but are limited in the aggregate to $50,000 in any election period. The $50,000 amount includes any loans made for campaign purposes to the candidate from the candidate's immediate family. A candidate's immediate family is defined as a candidate's spouse, and any child, parent, grandparent, brother, or sister of the candidate, and the spouses of such persons.

Limits on Candidate's Personal Funds

Loans and contributions by candidates to their own campaign committee are exempt from any limits.

When a candidate uses personal funds for campaign purposes, the candidate must make a decision as to whether to classify the personal funds as a contribution or a loan to the candidate's committee. If a candidate decides to classify the personal funds as a contribution, the contribution becomes a non-reimbursable contribution. However, if the candidate decides to classify the personal funds as a loan, the candidate committee may reimburse the candidate at a future time.

Contributions from Spouse and Dependent Minors

A husband and wife are treated as separate persons under the campaign spending law. A person may not make a contribution on behalf of a spouse or any other individual. Any contribution by check must include the signature of the contributor.

A contribution by a dependent minor is required to be reported in the name of the minor but is counted against the contribution limit of the minor's parent or guardian.

Loans

A candidate may receive and accept a loan in an aggregate amount not to exceed $10,000 during an election period. If the $10,000 limit is reached, the candidate is prohibited from receiving or accepting any other loans until the $10,000 is repaid in full. If the loan is not repaid within one year of the date that the loan is made, all subsequent contributions received and any surplus retained shall be used to repay the outstanding loan in full.

The exception are loans by a financial institution regulated by state or federally chartered depository institution and made in accordance with the applicable laws in the ordinary course of business, a loan by a candidate of the candidate's own funds, or a loan from immediate family members of a candidate. These entities are exempted from the $10,000 loan limit, and the repayment requirements.

Contributions to be Promptly Deposited or Acknowledged

The date a contribution is deposited into a financial institution is the date that the candidate or any individual authorized to receive contributions on behalf of the candidate has received a contribution. Contributions are required to be promptly deposited <u>no later than seven days</u> after a candidate has received a contribution or any individual authorized to receive contributions on behalf of the candidate.

A nonmonetary or cash contribution must be acknowledged immediately with a receipt to include the signature of the contributor.

Failure to timely deposit a contribution shall not obviate the requirement to disclose and report the contribution in the next report. The Commission recommends that the candidate devise a workable method to assure that contributions are deposited in a timely manner.

Excess Contributions

An excess contribution is any contribution over the legal limit. Any excess contribution must be reported to the Commission within thirty days of receipt of the contribution. Within thirty days of receipt of an excess contribution, the excess may be returned to the original donor or transferred to the Hawaii election campaign fund. After thirty days of receipt of an excess contribution the excess must be transferred to the Hawaii election campaign fund.

Prohibited Contributions

<u>Contributions in the Name of Another</u> (False Name)

A contribution made by one person in the name of another is prohibited under the campaign spending law. Contributions to candidates must be from a person's own money and in the name of the same person. A contribution by a person that is reimbursed or in any way compensated by another person is prohibited.

If the Commission finds that contributions were made in the name of another, those contributions shall automatically escheat to the Hawaii election campaign fund.

Anonymous Contributions

No candidate shall knowingly, receive, accept, or retain an anonymous contribution of any amount, or enter or cause such contribution to be entered in its accounts as an anonymous contribution or in a name other than the true name of the person who actually furnished the contribution. In the event that a candidate receives an anonymous contribution the contribution shall escheat to the Hawaii election campaign fund.

Candidates may retain anonymous contributions that aggregate less than $500 when obtained through multiple contributions made by ten or more persons at the same political function (e.g., calabash bowls). Detailed records must be retained of the political function.

Foreign Nationals

State and local candidates are subject to state and federal laws prohibiting foreign contributions.

No contributions or expenditures shall be made to or on behalf of a candidate by a foreign national or foreign corporation. A domestic subsidiary of a foreign corporation, a domestic corporation that is owned by a foreign national, or a local subsidiary where financial control is retained by the foreign corporation, may not make contributions to state and local candidates.

An individual is eligible to make a contribution to a candidate if the individual has a "green card" indicating that he or she has been lawfully admitted for permanent residence and the source of the funds are generated locally.

Other Receipts

This section describes campaign receipts that are not subject to contribution limits, but must be reported by the candidate.

Loans

Any loan to a candidate or candidate committee in excess of $100 shall be documented and reported. Loans may be from:

- Individuals not to exceed $10,000 in an election period and repaid within one year of the date that loan is made;
- A financial institution in the ordinary course of business;
- A candidate's own funds; or
- A candidate's immediate family not to exceed $50,000 in an election period.

Loan documentation shall include:

- Lender's name;
- Address;
- Employer and occupation;
- Purpose of loan; and
- Repayment obligations.

Public Funds

Public funds received by a candidate shall be reported as a receipt.

Interest

The candidate shall report interest earned on the committee depositories as a receipt.

Returns, Refunds and Rebates

The candidate shall report returns by vendors of deposits, refunds and rebates as a receipt. However, rebates must be offered in the ordinary course of business and on the same terms and conditions as those offered to nonpolitical entities.

CHAPTER IV

EXPENDITURES

What is an Expenditure?

An expenditure, for the purpose of influencing the nomination for election, or election, of any candidate to office whether or not the candidate has filed nomination papers, includes the following:

- Any purchase or transfer of money or anything of value;
- A promise or agreement to purchase or transfer money or anything of value;
- Payment incurred or made; and
- The use or consumption of a non-monetary contribution.

The campaign spending law considers an expenditure to be made or incurred when the services are rendered or the product is delivered. (accrual basis)

Voluntary Expenditure Limits

A candidate may voluntarily limit campaign expenditures as set by law by filing a notarized "Affidavit of Compliance with Voluntary Campaign Expenditure Limits" ("Affidavit") (Form CC-2) with the Commission. The Affidavit must be filed with or before filing of nomination papers with the chief election officer or county clerk, and is effective until the candidate terminates registration with the Commission or until filing for the next succeeding election, whichever occurs first.

<u>Benefits of Filing the Affidavit</u>

A candidate is entitled to the following benefits when the Affidavit is filed:

- Discounted filing fee;
- Contributors may take a tax deduction; and
- Eligible to apply for public financing.

<u>Candidates Not Filing the Affidavit</u>

If a candidate does not file an Affidavit, the candidate shall inform all contributors to the candidate's campaign in writing upon receipt of a contribution that they are not entitled to count their contribution to the candidate for purposes of taking a tax deduction.

<u>Expenditure Limit Periods</u>

Expenditure limits provided are on a per election basis:

- Primary Election - January 1, 2004 through September 18, 2004
- General Election - September 19, 2004 through November 2, 2004

Upon signing the Affidavit, the candidate agrees to limit expenditures for both elections. The candidate is prohibited from complying with the expenditure limit for one election and not complying with the expenditure limit for the other election. The candidate must be sure to distinguish between primary and general election expenditures.

<u>Exceeding the Expenditure Limits</u>

A candidate who voluntarily agrees to the expenditure limit and exceeds the respective expenditure limit for either the primary or general election is required to notify the chief election officer or county clerk, pay the full filing fee, notify all opponents and the Commission by telephone and in writing the day the expenditure limit is exceeded. All contributors shall be notified in writing within thirty days of exceeding the expenditure limit that tax deductions based on their contributions are no longer available.

Guidelines for Expenses

The following guidelines are from the Hawaii Administrative Rules and are provided here for reference purposes only. The Commission suggests that candidates consult with the Commission for any expenditure that may be of a questionable nature.

<u>Authorized Campaign Expenditures</u>

A candidate shall use contributions to pay for necessary expenses that are predominantly and directly related to a candidate's campaign to influence the nomination or election of the candidate. Authorized campaign expenditures include, but are not limited to, the following:

- Airfare and hotel accommodations;
- Meal or food expenses incurred at a fundraising event or other campaign activity;
- Professional services that are necessary in a candidate's campaign to seek the nomination or election of the candidate;
- Penalties, fines, judgments, or settlements imposed on a candidate or candidate committee by a court or regulatory agency and related to a campaign to seek the nomination or election of the candidate; or
- Gifts to campaign employees or volunteers deminimus in nature.

<u>Prohibition on Personal Expenses</u>

A personal expense means any use of contributions for an expense that would exist irrespective of a candidate's campaign to seek nomination or election to office. Candidates are prohibited from using contributions for any personal expense, including, without limitation, the following:

- Household food items and supplies purchased for daily personal consumption by the candidate, a family member of the candidate, candidate committee, or noncandidate committee;
- Gifts or donations for weddings, Christmas, birthdays, funerals or other personal occasions;
- Clothing usually and customarily worn for everyday wear; provided that a campaign expense for clothing identifying the candidate or campaign for an office shall not be prohibited;
- Tuition and educational fees or expenses not directly related to the performance of duties or responsibilities in a candidate's campaign for elected office;
- Mortgage, rent, and utility expenses for a personal residence; provided that if a clearly segregated portion of the personal residence is being used for campaign purposes, contributions may be used to reimburse the owner of the property a fair rental value for the actual apportioned use of the personal residence;
- Entertainment or sporting events, unless the candidate's attendance at an event is required and directly related to a function of the office for which the candidate was elected;
- Dues, fees, or other expenses to a country club, health club, recreational or exercise facility and not arising from a fundraising activity or function held at the facility; provided that contributions may

be used to pay for membership dues or other expenses in a community or civic organization where the candidate is directly involved in the activities of the organization;

- Salary or compensation for personal services paid to the candidate's immediate family or relatives, unless the payments are for bona fide services necessary to maintain a campaign to influence the nomination or election of the candidate and is comparable to the salary or compensation paid to other persons in the community providing similar services; or
- Legal expenses not related to the nomination or election of a candidate, including fines and penalties for violation of law not related to the campaign finance statute.

<u>Expenses That Offer a Mixed Benefit to the Candidate</u>

An expenditure of contributions may be used to purchase or lease goods or services that provide a mixed benefit to the candidate; provided that an amount attributed to a personal benefit for the candidate shall be determined and reimbursed by the candidate to the committee.

An expenditure of contributions may be used to provide a mixed benefit to the candidate, including without limitation, the following:

- Purchase or lease of a vehicle, including any operation and maintenance costs, where the title to the vehicle is in the name of the candidate committee;
- Reimbursement for the use of a personal vehicle, not including operation and maintenance expenses, shall be authorized and documented for audit purposes at the most current mileage rate adopted, from time to time, by the Department of Accounting and General Services, State of Hawaii, at the time the vehicle is used;
- Lease of real property to a candidate or candidate committee for a renewable period not to exceed one year.

Durable Assets

Durable assets are supplies and equipment purchased by the campaign committee with a purchase value of at least $250 and a useful life of twelve months or more. Durable asset property include such items as automobile, computer equipment, television set, refrigerator or other similar goods to be used during the campaign for the candidate.

The Commission requires that durable assets be reported until the asset has been disbursed either by sale or donation. The Acquisition of Durable Assets (Form CC-9(a)) and Disposition of Durable Assets (Form CC-9(b)) are available at the Commission's office or from the Commission's website.

CHAPTER V

KEEPING RECORDS

Candidates are required to maintain records on contributions and expenditures for at least five years, unless otherwise instructed by the Commission. Listed below are the records required for a candidate's contributions and expenditures. Candidates and treasurers should refer to the "Campaign Treasurer's Manual for Candidate Committees" for an acceptable method of recordkeeping.

Recording Contributions (Monetary and Non-monetary)

With respect to contributions, the campaign spending law requires a candidate to establish and maintain an itemized record showing the amount of each monetary contribution and the description and fair market value of each non-monetary contribution of more than $25. To assure compliance with the requirement that candidates report the required information of all contributions in **aggregate** of more than $100, the Commission recommends that the candidate establish and maintain an itemized record of all contributions including those that are $25 or less.

Contributions of $100 or Less

The Commission requires keeping records:

- For identifying contributions that are less than $100 - date of receipt and deposit, contributor's full name and address, and the amount; or
- In the case of small amounts aggregating less than $500 obtained through multiple contributions made by ten or more persons at the same political function (e.g., calabash bowls), keep records describing the means, method and place for each contribution collected.

Contributions of More Than $100

For contributions that aggregate more than $100, made during the same election period, records must identify contributions by:

- Date of receipt and deposit;
- Contributor's full name and address;
- Contributor's employer and occupation (if contribution aggregates $1,000 or more); and
- Contribution amount.

It is important to note that amounts for non-monetary contributions should be the fair market value during the time of the non-monetary contribution.

Recording Expenditures

A candidate must keep records that identify an expenditure by the following:

- Date of the expenditure
- Payee's full name and address
- Purpose of the expenditure (a brief description of why the expenditure was made); and
- Amount of the expenditure.

<u>Reporting of Certain Expenditures</u>

Expenditures reported under vague purposes or consolidated into categories such as petty cash, Visa, Master Card, reimbursement to employee, or ad agency, would not meet the requirements of the campaign spending law. All expenditures made, incurred, or authorized by or for a candidate must be reported, including the name and address of each payee and the amount, date, and purpose of each expenditure. Expenditures are to be reported as to the date that the goods are delivered or the service is provided to the committee. Financial institutions, individuals reimbursed for expenses, lump sum cash payments, and ad or employment agencies are viewed as intermediaries of expenditures. Any use of intermediaries that would have the result of concealing the true and complete nature of the expenditure would not meet the requirements of the campaign spending law.

Reports that describe the purpose in vague terms or fail to include the ultimate payee of the expenditure shall be deemed a defective report.

CHAPTER VI

REPORTING

There are two methods for fulfilling the reporting requirements of the campaign spending law. A candidate can utilize either the Commission's Hawaii Electronic Reporting and Tracking System program or manual reporting forms.

Hawaii Electronic Reporting and Tracking System (HERTS)

The HERTS system is a software program customized for Hawaii candidates to utilize in preparing their reports. HERTS II operates on an IBM or IBM compatible computer using a windows-based architecture. The program can be requested from the Commission or it can be downloaded directly from the Commission's website at www.hawaii.gov/campaign.

Before using HERTS II candidates must register with the Commission and obtain a user ID and password, which is essential for making valid filings. A user manual and technical support is available, and training, which is recommended, is provided upon request by calling the Commission's office.

Candidates Required to File by Electronic Means

Candidates running for the following offices are required to file their campaign spending reports by electronic means:

- Governor;
- Lt. Governor;
- Mayor;
- Prosecuting Attorney; and
- County Council

An exemption is allowed for candidates running for the above offices with contributions or expenditures of less than $5,000.

Manual Reporting

Reports shall be filed on forms prescribed by the Commission. All reporting forms are available at the Commission's office or downloaded from the website.

Disclosure Report (Form CC-5)

The Disclosure Report form is a summary used by the candidate to report receipts and disbursements for the applicable reporting periods. Candidates may also be required to attach any one of the following schedules to the Disclosure Report form:

- Schedule A (CC-5(A)) Monetary and Non-Monetary Contributions;
- Schedule B (CC-5(B)) Expenditures;
- Schedule C (CC-5(C)) Public Funds and Other Receipts;
- Schedule D (CC-5(D)) Loans;
- Schedule E (CC-5(E)) Unpaid Expenditures.

Detailed instructions for completing the Disclosure Report and Schedules can be found in Part II of this guidebook.

Short Form Report

The Disclosure Report form also serves as the Short Form allowed by law for candidates with limited activity. Checking the **Short Form** box of Section II on the Disclosure Report indicates that the candidate had aggregate contributions and expenditures for the reporting period each totaling $2,000 or less. For Short Form reporting only Sections I, II, and III of the Disclosure Report requires completion.

First Supplemental Report

The Commission places emphasis on this Supplemental Report as it serves as the first report for the new "election period."

The first Supplemental Report is "zero based" meaning contribution and expenditure aggregates for the election period begin at zero. The first Supplemental Report should include the following:

- Carryover cash on hand;
- Carryover of any liabilities (loans and unpaid expenditures); and
- Any contributions, expenditures and other campaign financial activity occurring from the day after the general election through the last day of the election year.

Reporting Cash on Hand

Election Period

Candidates must report on the Disclosure Report, line 1, column B the cash on hand it had at the beginning of the appropriate election period. Refer to "Election Period (Contribution Aggregation Period)" (page 10) for the starting date of your respective election period.

Reporting Period

Candidates must report on the Disclosure Report, line 2, column A the cash on hand it had at the beginning of the appropriate reporting period. Note that the closing cash on hand for the current reporting period appears on the next report as beginning cash on hand.

When to Itemize Contributions Received

Monetary and non-monetary contributions of $100 or less are not required to be itemized on Schedule A. Only an aggregate total for the reporting period is reported on the summary of the Disclosure Report applicable line item, Contributions of $100 or Less. However, once a single contributor's total aggregates more than $100 for the election period the candidate is required to itemize that contribution by providing the required information for contributions on Schedule A.

As an example, suppose an individual makes two contributions to a candidate during the same election period. The contributor contributes $50 during the first month of the election period. Because the contribution does not exceed $100, the contribution is not required to be itemized. Instead, the $50 is reported in the aggregate total of contributions of $100 or less. Subsequently, the same contributor makes an additional contribution of $100 during the same election period. This contribution must be itemized, since the aggregate total of $150 for the election period now exceeds the $100 threshold.

How to Itemize Contributions Received (Schedule A)

Monetary Contributions

A candidate should use Schedule A (Form CC-5(A)) for itemizing contributions of more than $100. The candidate should use a separate Schedule A for each of the two categories of contribution types:

- Individuals/Other Entities/Noncandidate Committees/Political Parties
- Candidate or Candidate's Immediate Family

Information to be itemized on this schedule include the following:

- Date of the deposit;
- Contributor's full name and mailing address
- Contributor's employer and occupation;
- Contribution amount for the reporting period; and
- Aggregate contribution amount for the election period.

It is important to note that the employer and occupation information is required only for contributions that aggregate $1,000 or more during the election period. In gathering the employer and occupation information, a candidate should remember that if a contributor is self-employed, that should be stated in the "Employer" space on Schedule A. If he or she is not employed, the space may be left blank, but the "Occupation" space should still be completed (e.g. "unemployed", "retired", "homemaker").

Non-monetary Contributions

When determining whether to itemize a non-monetary contribution, a candidate should treat it the same as a monetary contribution. In addition, the amount of a non-monetary contribution must also be recorded in the candidate's total expenditures (Schedule B) in order to avoid inflating cash on hand.

How to Itemize Other Receipts

Public Funds and Other Receipts (Schedule C)

Candidates must disclose the current reporting period and election period total to date all public funds and other receipts that were received during the applicable reporting period on Schedule C (Form CC-5(C)). Interest, returns, refunds, and rebates are considered "other receipts."

Information to be itemized on Schedule C include the following:

- Date of the deposit;
- Source's full name and address;
- Description of the receipt;
- Public fund or other receipt amount for the reporting period;
- Aggregate public fund amount for the election period)matching payment period for public fund purposes); and
- Receipts are to be itemized regardless of amount.

Loans (Schedule D)

Information to be itemized on Schedule D (Form CC-5(D)) include the following:

- ♦ Source of the loan (Candidate, Immediate Family, Financial Institution, Other);
- ♦ Date of the loan;
- ♦ Lender's full name, address, employer and occupation;
- ♦ Purpose of the loan;
- ♦ Loan amount at the beginning of the reporting period;
- ♦ New loan amount for the reporting period;
- ♦ Loans repaid or forgiven during the reporting period; and
- ♦ Loan amount at the close of the reporting period.

How to Itemize Expenditures (Schedule B)

Information to be itemized on Schedule B (Form CC-5(B)) include the following:

- ♦ Date of the expenditure;
- ♦ Vendor's full name and address;
- ♦ Purpose of the expenditure (a brief description of why the expenditure was made);
- ♦ Amount of the expenditure; and
- ♦ Expenditures are to be itemized regardless of amount

The campaign spending law considers an expenditure to be made or incurred when the services are rendered or the product is delivered. (accrual basis) Also important to note is that the acquisition of durable assets as defined on page 17 should be reported on the "Acquisition of Durable Assets" (Form (CC-9(a)). Durable assets shall be reported in all subsequent reports until the asset has been disbursed of accordingly and reported on the "Disposition of Durable Assets" (Form (CC-9(b)).

Unpaid Expenditures (Schedule E)

By law, an expenditure shall be deemed to be made or incurred when services are rendered or the product is delivered. Expenditures, which are made or incurred, but not paid, are considered unpaid expenditures. Unpaid expenditures are treated as loans or contributions and must be reported until fully paid.

Information to be itemized on Schedule E (Form CC-5(E)) include the following:

- ♦ Date of the unpaid expenditure;
- ♦ Vendor's full name and address;
- ♦ Purpose of the expenditure;
- ♦ Amount of unpaid expenditure at the beginning of the reporting period;
- ♦ New unpaid expenditure for the reporting period;
- ♦ Repaid or forgiven unpaid expenditures during the reporting period; and
- ♦ Amount of unpaid expenditures at the closing of the reporting period.

Refunds and Returned Contribution Checks

Contribution Refunds

When a candidate refunds a contributor the candidate must itemize the refund on Schedule B as an expenditure.

Contribution Check with Insufficient Funds

If a candidate receives a contribution check and later finds it cannot be cashed due to insufficient funds, the contributor's check should be returned with a letter.

If the contribution was not previously reported, there is reporting required, but if the contribution had been reported the candidate should take the following steps in reporting the contribution:

- If the contribution amount was $100 or less and was previously reported, the candidate should file an amended Disclosure report for the report that the contribution was originally reported and subtract the amount of the check from the contributions of $100 or less line; or
- If the contribution amount was more than $100 and was previously reported, the candidate should file an amended Disclosure report for the report that the contribution was originally reported and itemized the contribution on Schedule A as a negative contribution.

It is important to note that amended reports should be filed for all reports that were filed after the report in which the correction is being made.

Year End Bank Statement

An end of the year supplemental report or a final termination report must include a copy of the bank statement that will confirm your account balance through the end of the year or when your account is closed. The reported cash on hand balance should reconcile with your bank statement.

Filing Amendments

The candidate must file an amended report if they:

- Discover that an earlier report contained erroneous information; or
- Is ordered to amend the report by the Commission.

When filing an amended report, the candidate should complete the Disclosure report, indicating in Section II that the report is an amended report.

In addition to the Disclosure Report, the candidate should file a corrected version of whatever schedule that contained the incorrect or incomplete information. Transactions originally reported correctly do not have to be itemized again. A cover letter explaining the amendment(s) should be attached to the report. HERTS filers will need to submit the amended report in its entirety.

Late Contribution Report

The Late Contribution report (Form CC-10) is a separate form that must be filed by candidates that receive contributions in the aggregate of more than $500 within the period of fifteen calendar days through four calendar days prior to a primary, special primary, general, or special general election. The report is required to be filed with the Commission no later than three calendar days prior to the election.

The report requires the following information:

- Date of the contribution;
- Name and address of the contributor;

- Employer and occupation of the contributor;
- Contribution amount;
- Aggregate contribution amount for the election period; and
- Purpose, if any, to which the contribution will be applied.

STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

LATE CONTRIBUTIONS REPORT
CANDIDATE COMMITTEE

The Late Contributions Report is to be used to report all contributions aggregating more than $500 that are received within the period of fifteen calendar days through four calendar days prior to a primary, special primary, general, or special general election. The report is required to be filed no later than 4:30 p.m., three calendar days prior to the election.

NO INFORMATION OR COPIES FROM THE REPORTS SHALL BE SOLD OR USED BY ANY PERSON FOR THE PURPOSE OF SOLICITING CONTRIBUTIONS OR FOR ANY COMMERCIAL PURPOSE.

CANDIDATE AND CANDIDATE COMMITTEE NAME:

DATE	FULL NAME, STREET ADDRESS, CITY, STATE AND ZIPCODE OF DONOR / PURPOSE TO WHICH THE CONTRIBUTION WILL BE APPLIED	NAME OF EMPLOYER / OCCUPATION	AMOUNT OF CONTRIBUTION	AGGREGATE CONTRIBUTION

CHAPTER VII

DISPOSITION OF SURPLUS and RESIDUAL FUNDS

Surplus Funds

Surplus funds are contributions held by a candidate or committee after all campaign expenses has been paid for the election period.

Surplus funds held by a candidate who has voluntarily agreed to abide by spending limits may be used after a general or special election for any fundraising activity, for any other politically related activity sponsored by the candidate, for any ordinary and necessary expenses incurred in connection with the candidate's duties as a holder of an elected state or county office, or for any contributions to any community service, educational, youth, recreational, charitable, scientific or literary organizations, or any organization which the Commission deems appropriate. The organizations are required to be recognized and established organizations in the community.

A "politically related activity" has been defined by the Commission as activities for which the purpose is to influence the outcome of some future election. Such activities may include "mahalo parties" and newsletters to supporters.

Additionally, the Commission has defined "ordinary and necessary expenses" to include usual and reasonable expenses that bear a direct relation to the office. Such expenses shall be absolutely necessary for carrying out the duties of the office. Expenses may include office equipment or the ordinary costs of establishing or closing down an office of an elected official. The Commission on a case-by-case basis must approve any other ordinary and necessary expense.

Residual Funds

Residual funds are contributions, which are received by a candidate, individual, or committee but not used for any election or campaign purpose.

Candidates who:

- Withdraw,
- Cease to be candidates,
- Receive contributions but fail to file for nomination, or
- Discontinue their activities,

shall return all residual contribution to the contributors if their identities are known. If the identity of any contributor is not known, the residual contribution shall escheat to the Hawaii election campaign fund or may be donated to a nonprofit organization of the candidate's choice. Upon disposition of all residual contributions, the candidate shall file a Supplement report with the Commission reporting the amounts distributed and the manner of disposition.

Candidates who:

- Failed to be nominated or elected and do not become a candidate for nomination or election to office within four years,
- Are elected but resign their office before the end of the term, or
- Are elected and do not file to become a candidate for reelection within four years after their resignation or the end of the term,

shall dispose of residual contributions in the above manner. Candidates must also file a Disclosure report with the Commission reporting the amounts distributed and the manner of disposition.

In event of a death of a candidate, residual contributions shall be returned to the donors. Where donors can not be located within sixty days, contributions shall escheat to the Hawaii election campaign fund or donated to nonprofit organizations.

CHAPTER VIII

TERMINATING REGISTRATION WITH THE COMMISSION

Eligibility

A candidate terminates their registration by filing a "Request for Registration Termination" (Term Form) with the Commission. The termination form may be filed at any time, provided that:

- The candidate will no longer be receiving any contributions or making any expenditures reportable to the Commission under law;
- The balance of the candidate's campaign fund is zero (no surplus);
- There are no unpaid expenditures to be paid (no deficit); and
- There are no outstanding loans to be paid (no deficit).

It should be noted that the filing of the termination form is only a request for registration termination. Termination is complete only upon approval by the Commission.

In the Event of a Deficit

Outstanding Loans

Candidates may reclassify a personal loan to its own candidate committee and consider it as a non-reimbursable contribution. If a candidate takes such action, the candidate must file a Disclosure report to reflect the reclassification. Loans from financial institutions and non-family members must be repaid and may not be reclassified as a non-reimbursable contribution. Terminating registration with the Commission may only be done if all loans from financial institutions have been repaid.

When reporting a forgiven loan, a candidate should attach a statement to the applicable report stating that the candidate or family has agreed to forgive their loan(s) made to the campaign.

Unpaid Expenditures

Candidates with unpaid expenditures must continue reporting with the Commission until all creditors have been paid.

STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

REQUEST FOR REGISTRATION TERMINATION

I (We) ____, hereby notify the

Print Name of Candidate, Noncandidate Committee or State and County Contractor

Campaign Spending Commission ("Commission") of (my) (our) desire to terminate registration with the Commission for the following reasons:

1. (I) (We) will no longer be receiving any contributions or making any expenditures reportable to the Commission under law;

2. The balance of (my) (our) campaign fund is zero. (No Surplus);

3. There are no unpaid expenditures to be paid. (No Deficit);

4. There are no outstanding loans from others to be paid by the Candidate Committee. (No Deficit);

5. There are personal outstanding loans owed to myself (candidate) and I do not wish to be reimbursed by the Candidate Committee. The outstanding loans by myself (candidate) should be considered as a non-reimbursable contribution to my Candidate Committee.

I hereby certify that the information on this report is true, correct and complete statements to the best of my knowledge.

____ ______________________

Signature of Candidate, Committee Chairperson of Noncandidate Committee or State and County Contractor | Date

FOR OFFICE USE ONLY

____

Reviewed and Approved By | Date

INSTRUCTIONS FOR COMPLETING THE CANDIDATE
COMMITTEE DISCLOSURE REPORT (Form CC-5)

The Campaign Spending Commission provides these instructions to assist you in completing the Disclosure Report. The Disclosure report form should be used to report a summary of totals for the applicable reporting period and election period. The reporting period totals are taken from the appropriate Schedules that apply to your respective campaign. For example, for monetary and non-monetary contributions use Schedule A, for expenditures; Schedule B, and for public funds and other receipts; Schedule C. **The Disclosure report should be submitted to the Commission with only those Schedules that apply to your respective campaign.** The Disclosure report form is also used for Short Form reporting. The Disclosure Report and Schedules A through E forms are available at the Commission's office or from its website.

Section I Candidate and Candidate Committee

- Line (a) Candidate's full name
- Line (b) Candidate committee's name
- Line (c) Candidate committee's mailing address
- Line (d) Treasurer's business and residence phone number

Section II Type of Report and Reporting Period

For the reporting period refer to the Schedule of Reporting Dates for the 2004 Election Period. The schedule provides for the required report to be filed and the period that it covers.

Amended Box

If a report is amended, check the amended box in addition to the applicable report that is being amended (e.g., 1st Preliminary Primary, 2nd Preliminary Primary).

Short Form Box

Checking the Short Form box indicates that the candidate had aggregate contributions and expenditures for the reporting period each totaling $2,000 or less. Short form reporting requires completion of only Sections I, II, and III and the necessary signatures.

Section III Summary of Receipts and Disbursements
(Complete Section IV before completing this section)

Column A The figures in this column are the totals for the reporting period. The reporting period is the you specify in Section II.

Column B The figures in this column are the election period totals to date. The election period varies according to office and are as follows:

- ♦ Two-year office November 6, 2002 through the day of the next general election, November 2, 2004;
- ♦ Four-year office November 8, 2000 through the day of the next general election, November 2, 2004, or November 6, 2002 through the day of the next general election, November 7, 2006

Line 1, Column B	Enter the cash on had (bank balance) as of November 6, 2002 for both two-year offices and four-year offices. This figure should remain the same through the election period.
Line 2, Column A	Enter the cash on hand (bank balance) at the beginning of the reporting period (period you specify in Section II).
Line 3, Columns A and B	Enter the figures from Section IV, line 15.
Line 4, Columns A and B	For totals add lines 2 and 3 for Column A and lines 1 and 3 for Column B.
Line 5, Columns A and B	Enter the figures from Section IV, line 19.
Line 6, Columns A and B	Subtract line 5 from line 4 for columns A and B, enter totals. The resulting totals in columns A and B represent your closing cash on hand (bank balance) at the closing of the reporting period. **The totals for line 6, columns A and B should be identical.**
Line 7	Enter the total of loans from Schedule D, line 4.
Line 8	Enter the total of unpaid expenditures from Schedule E, line 4.
Line 9	Add line 7 and 8, enter total.
Line 10	Subtract line 9 from line 6, enter total. (Note: If there are no loans or unpaid expenditures, line 10 should be the same as line 6.)

Section IV Detailed Summary of Receipts and Disbursements
(Complete Schedules A through E before completing this section.)

Line 11(a)(I), Columns A and B	Enter in column A the aggregate total of monetary and non-monetary contributions that are $100 or less. For example, if the candidate received five contributions of $50 each, enter the aggregate total of $250 in column A. Column B is your aggregate election period total to date.
Line 11(a)(ii), Columns A and B	Enter in column A the total from Schedule A, line 2. This total represents the monetary and non-monetary contributions of more than $100 received during the reporting period. Column B is your aggregate election period total to date.
Line 11(a)(iii), Columns A and B	Add lines 11(a)(I) and 11(a)(ii), enter totals.
Line 11(b)(I), Columns A and B	Enter in Column A the aggregate total of monetary and non-monetary contributions that are $100 or less from the candidate or candidate's family. Column B is your aggregate election period total to date.

Line 11(b)(ii), Columns A and B	Enter in column A the total from Schedule A, line 2. This total represent the monetary and non-monetary contribution of more than $100 from the candidate or candidate's family for the reporting period. Column B is your aggregate election period total to date.
Line 11(b)(iii), Columns A and B`	Add lines 11(b)(I) and 11(b)(ii), enter totals.
Line 12, Columns A and B	Add lines 11(a)(iii) and 11(b)(iii), enter totals.
Line 13, Columns A and B	Enter in column A the total of public funds and other receipts from Schedule C, line 2. Column B is your aggregate election period total to date.
Line 14, Columns A and B	Enter in column A the total of loans from Schedule D, line 2. Column B is your aggregate election period total to date.
Line 15, Columns A and B	Add lines 12 through 14, enter totals.
Line 16, Columns A and B	Enter in column A the total of expenditures from Schedule B, line 2. Column B is your aggregate election period total to date.
Line 17, Columns A and B	Enter in column A the total of loans repaid or forgiven from Schedule D, line 3. Column B is your aggregate election period total to date.
Line 18, Columns A and B	Enter in column A the total of unpaid expenditures paid or forgiven from Schedule E, line 3. Column B is your aggregate election period total to date.
Line 19, Columns A and B	Add lines 16 through 18, enter totals.
Line 20, Column A	Enter in column A the total of unpaid expenditures from Schedule E, line 2.
Line 21, Columns A and B	Add lines 19 and 20, enter totals.

OAHU CANDIDATES-
SUBMIT 1 ORIGINAL AND 1 COPY

NEIGHBOR ISLAND CANDIDATES-
SUBMIT 1 ORIGINAL AND 2 COPIES

STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

DISCLOSURE REPORT
CANDIDATE COMMITTEE

PLEASE TYPE OR PRINT CLEARLY WITH INK (INSTRUCTIONS FOR COMPLETING THE DISCLOSURE REPORT CAN BE FOUND IN THE "GUIDEBOOK FOR CANDIDATE COMMITTEES.")

SECTION I-CANDIDATE AND CANDIDATE COMMITTEE:

(a) Candidate Name:

(b) Committee Name:

(c) Mailing Address:

(d) Phone (Bus) (Res)

Treasurer's

SECTION II-TYPE OF REPORT:

(See the Schedule of Reporting Dates to complete this section)

☐ 1st Preliminary Primary ☐ Amended ☐ First ☐ Second ☐ Third ☐ Fourth

☐ 2nd Preliminary Primary ☐ Short Form[1]

☐ Final Primary

☐ Preliminary General

☐ Final Election Period

☐ Supplemental

REPORTING PERIOD

through

SECTION III-SUMMARY OF RECEIPTS AND DISBURSEMENTS
(Complete Section IV on the Back of this Form Before Completing This Section)

	COLUMN A TOTAL THIS PERIOD	COLUMN B ELECTION PERIOD[2] TOTAL TO DATE	
1. Cash on Hand at the Beginning of the Election Period[2]			1
2. Cash on Hand at the Beginning of this Reporting Period			2
3. Total Receipts *(From Line 15)*			3
4. Subtotal *(Add Lines 2 and 3 for Column A and Lines 1 and 3 for Column B)*			4
5. Total Disbursements (not including Unpaid Expenditures) *(From Line 19)*			5
6. Cash on Hand at the Closing of this Reporting Period *(Subtract Line 5 from Line 4)*			6
7. Total Loans at the Closing of this Reporting Period			7
8. Total Unpaid Expenditures at the Closing of this Reporting Period			8
9. Debts Owed at the Closing of this Reporting Period *(Add Lines 7 and 8)*			9
10. Surplus/Deficit *(Subtract Line 9 from Line 6)*			10

I hereby certify that the information on this report and all attached Schedules are true, correct and complete to the best of my knowledge.

Candidate Signature Date Treasurer Signature Date

[1] Short Form is checked if the candidate is filing a Preliminary, Final or Supplemental Report and has aggregate contributions and aggregate expenditures for the reporting period totaling $2,000 or less. Short form reporting requires completion of only Section I, Section II, and Section III of this Disclosure Report.

[2] An Election Period is the two-year period between general election days if a candidate is seeking nomination or election to a two-year office and the four-year period between general election days if a candidate is seeking nomination or election to a four-year office.

SECTION IV-DETAILED SUMMARY OF RECEIPTS AND DISBURSEMENTS

(If Necessary, Complete Schedules A through E Before Completing This Section)

RECEIPTS	COLUMN A TOTAL THIS PERIOD	COLUMN B ELECTION PERIOD TOTAL TO DATE	
11. Contributions From:			11
(a) Individuals/Other Entities/Noncandidate Committees/Political Parties			11(a)
(i) Monetary and Non-Monetary Contributions of $100 or Less			11(a)(i)
(ii) Monetary and Non-Monetary Contributions of More Than $100			11(a)(ii)
(iii) Subtotal *(Add Lines 11(a)(i) and 11(a)(ii))*			11(a)(iii)
(b) Candidate or Candidate's Immediate Family			11(b)
(i) Monetary and Non-Monetary Contributions of $100 or Less			11(b)(i)
(ii) Monetary and Non-Monetary Contributions of More Than $100			11(b)(ii)
(iii) Subtotal *(Add Lines 11(b)(i) and 11(b)(ii))*			11(b)(iii)
12. Total Contributions *(Add Lines 11(a)(iii) and 11(b)(iii))*			12
13. Public Funds and Other Receipts			13
14. Loans			14
15. Total Receipts *(Add Lines 12 through 14)*			15
DISBURSEMENTS			
16. Expenditures			16
17. Loans Repaid or Forgiven			17
18. Unpaid Expenditures Paid or Forgiven			18
19. Subtotal Disbursements *(Add Lines 16 through 18)*			19
20. Unpaid Expenditures			20
21. Total Disbursements *(Add Lines 19 and 20)*			21

CHECK ONLY ONE BOX USE SEPARATE SCHEDULE(S) FOR EACH CATEGORY BELOW
☐ INDIVIDUALS/OTHER ENTITIES/NONCANDIDATE COMMITTEES/POLITICAL PARTIES
☐ CANDIDATE OR CANDIDATE'S IMMEDIATE FAMILY

STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

SCHEDULE A
MONETARY AND NON-MONETARY CONTRIBUTIONS
CANDIDATE COMMITTEE

NO INFORMATION OR COPIES FROM THE REPORTS SHALL BE SOLD OR USED BY ANY PERSON FOR THE PURPOSE OF SOLICITING CONTRIBUTIONS OR FOR ANY COMMERCIAL PURPOSE.

CANDIDATE AND CANDIDATE COMMITTEE NAME: PAGE ______ OF ______

DATE OF DEPOSIT OR RECEIPT OF NON-MONETARY CONTRIBUTION	FULL NAME, STREET ADDRESS, CITY, STATE AND ZIPCODE OF DONOR / IF A DEPENDENT MINOR, ENTER NAME OF PARENT	FOR AGGREGATES OF $1,000 OR MORE NAME OF EMPLOYER / OCCUPATION	AMOUNT OF CONTRIBUTION OR FAIR MARKET VALUE OF NON-MONETARY CONTRIBUTION THIS PERIOD	AGGREGATE ELECTION PERIOD TOTAL TO DATE
	☐ NON-MONETARY CONTRIBUTION			
	☐ NON-MONETARY CONTRIBUTION			
	☐ NON-MONETARY CONTRIBUTION			
	☐ NON-MONETARY CONTRIBUTION			
	☐ NON-MONETARY CONTRIBUTION			
	☐ NON-MONETARY CONTRIBUTION			

1. SUBTOTAL OF MONETARY AND NON-MONETARY CONTRIBUTIONS THIS PERIOD (This Page).................		
2. TOTAL MONETARY AND NON-MONETARY CONTRIBUTIONS THIS PERIOD (Last Page Only) **(Transfer total to the applicable Line Number of the Disclosure Report – 11(a)(ii) or 11(b)(ii))**..		

Form CC-5(A) (Rev. 5/99)

With the exception of loans and unpaid expenditures that are forgiven, non-monetary contributions must also be reported as an "Expenditure" on Schedule B.

STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

SCHEDULE B
EXPENDITURES
CANDIDATE COMMITTEE

NO INFORMATION OR COPIES FROM THE REPORTS SHALL BE SOLD OR USED BY ANY PERSON FOR THE PURPOSE OF SOLICITING CONTRIBUTIONS OR FOR ANY COMMERCIAL PURPOSE.

CANDIDATE AND CANDIDATE COMMITTEE NAME: PAGE ______ OF ______

DATE OF EXPENDITURE	FULL NAME, STREET ADDRESS, CITY, STATE AND ZIPCODE OF VENDOR OR SOURCE OF NON-MONETARY CONTRIBUTION	PURPOSE OF EXPENDITURE OR DESCRIPTION OF NON-MONETARY CONTRIBUTION	AMOUNT OF EXPENDITURE OR FAIR MARKET VALUE OF NON-MONETARY CONTRIBUTION THIS PERIOD
	☐ NON-MONETARY CONTRIBUTION		
	☐ NON-MONETARY CONTRIBUTION		
	☐ NON-MONETARY CONTRIBUTION		
	☐ NON-MONETARY CONTRIBUTION		
	☐ NON-MONETARY CONTRIBUTION		
	☐ NON-MONETARY CONTRIBUTION		
	☐ NON-MONETARY CONTRIBUTION		

1. SUBTOTAL OF EXPENDITURES THIS PERIOD (This Page)..

2. TOTAL EXPENDITURES THIS PERIOD (Last Page Only) **(Transfer total to Line Number 16 of the Disclosure Report)**....................

STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

SCHEDULE C
PUBLIC FUNDS AND OTHER RECEIPTS
CANDIDATE COMMITTEE

NO INFORMATION OR COPIES FROM THE REPORTS SHALL BE SOLD OR USED BY ANY PERSON FOR THE PURPOSE OF SOLICITING CONTRIBUTIONS OR FOR ANY COMMERCIAL PURPOSE.

CANDIDATE AND CANDIDATE COMMITTEE NAME: PAGE ______ OF ______

DATE OF DEPOSIT	FULL NAME, STREET ADDRESS, CITY, STATE AND ZIPCODE OF SOURCE OF PUBLIC FUNDS OR OTHER RECEIPT	DESCRIPTION OF OTHER RECEIPT	AMOUNT OF PUBLIC FUNDS OR OTHER RECEIPT THIS PERIOD	AGGREGATE ELECTION PERIOD TOTAL TO DATE

1. SUBTOTAL OF PUBLIC FUNDS AND OTHER RECEIPTS THIS PERIOD (This Page)..

2. TOTAL PUBLIC FUNDS AND OTHER RECEIPTS THIS PERIOD (Last Page Only) **(Transfer total to Line Number 13 of the Disclosure Report)**..

Form CC- 5(C) (Rev. 5/99)

ATTACH A COPY OF THE EXECUTED LOAN DOCUMENT AT THE TIME OF INITIAL DISCLOSURE

STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

SCHEDULE D
LOANS
CANDIDATE COMMITTEE

NO INFORMATION OR COPIES FROM THE REPORTS SHALL BE SOLD OR USED BY ANY PERSON FOR THE PURPOSE OF SOLICITING CONTRIBUTIONS OR FOR ANY COMMERCIAL PURPOSE.

CANDIDATE AND CANDIDATE COMMITTEE NAME: PAGE ______ OF ______

LOAN SOURCE / DATE OF LOAN	FULL NAME, STREET ADDRESS, CITY, STATE AND ZIPCODE OF LENDER / NAME OF EMPLOYER AND OCCUPATION / PURPOSE OF LOAN	AMOUNT OF LOAN AT BEGINNING OF THIS PERIOD	NEW LOAN AMOUNT THIS PERIOD	AMOUNT REPAID OR FORGIVEN THIS PERIOD	AMOUNT OF LOAN AT CLOSING OF THIS PERIOD
☐ CANDIDATE ☐ IMMEDIATE FAMILY ☐ FINANCIAL INSTITUTION ☐ OTHER				☐ FORGIVEN	
☐ CANDIDATE ☐ IMMEDIATE FAMILY ☐ FINANCIAL INSTITUTION ☐ OTHER				☐ FORGIVEN	
☐ CANDIDATE ☐ IMMEDIATE FAMILY ☐ FINANCIAL INSTITUTION ☐ OTHER				☐ FORGIVEN	
☐ CANDIDATE ☐ IMMEDIATE FAMILY ☐ FINANCIAL INSTITUTION ☐ OTHER				☐ FORGIVEN	
☐ CANDIDATE ☐ IMMEDIATE FAMILY ☐ FINANCIAL INSTITUTION ☐ OTHER				☐ FORGIVEN	

1. SUBTOTAL (This Page)..........
2. TOTAL NEW LOANS THIS PERIOD (Last Page Only) **(Transfer total to Line Number 14 of the Disclosure Report)**..........
3. TOTAL LOANS REPAID OR FORGIVEN THIS PERIOD (Last Page Only) **(Transfer total to Line Number 17 of the Disclosure Report)**..........
4. TOTAL LOANS AT THE CLOSING OF THIS PERIOD (Last Page Only) **(Transfer total to Line Number 7 of the Disclosure Report)**....

Form CC-5(D) (Rev. 5/99)

If a loan is forgiven, the loan must also be reported as a "Non-Monetary Contribution" on Schedule A. The forgiven loan does not have to be reported as an "Expenditure" on Schedule B.

STATE OF HAWAII
CAMPAIGN SPENDING COMMISSION

SCHEDULE E
UNPAID EXPENDITURES
CANDIDATE COMMITTEE

NOTE: EXPENDITURES ARE CONSIDERED MADE WHEN THE PRODUCT IS DELIVERED OR THE SERVICE IS RENDERED (ACCRUAL METHOD OF ACCOUNTING).

NO INFORMATION OR COPIES FROM THE REPORTS SHALL BE SOLD OR USED BY ANY PERSON FOR THE PURPOSE OF SOLICITING CONTRIBUTIONS OR FOR ANY COMMERCIAL PURPOSE.

CANDIDATE AND CANDIDATE COMMITTEE NAME: PAGE ______ OF ______

DATE OF UNPAID EXPENDITURE	FULL NAME, STREET ADDRESS, CITY, STATE AND ZIPCODE OF VENDOR / PURPOSE OF UNPAID EXPENDITURE	AMOUNT OF UNPAID EXPENDITURE AT BEGINNING OF THIS PERIOD	NEW UNPAID EXPENDIITURE AMOUNT THIS PERIOD	AMOUNT PAID OR FORGIVEN THIS PERIOD	AMOUNT OF UNPAID EXPENDITURE AT CLOSING OF THIS PERIOD
				☐ FORGIVEN	
				☐ FORGIVEN	
				☐ FORGIVEN	
				☐ FORGIVEN	
				☐ FORGIVEN	

1. SUBTOTAL (This Page)..........

2. TOTAL NEW UNPAID EXPENDITURES THIS PERIOD (Last Page Only) **(Transfer total to Line Number 20 of the Disclosure Report)**..........

3. TOTAL UNPAID EXPENDITURES PAID OR FORGIVEN THIS PERIOD (Last Page Only) **(Transfer total to Line Number 18 of the Disclosure Report)**..........

4. TOTAL UNPAID EXPENDITURES AT THE CLOSING OF THIS PERIOD (Last Page Only) **(Transfer total to Line Number 8 of the Disclosure Report)**..........

Form CC-5(E) (Rev. 5/99)

If an unpaid expenditure is forgiven, the unpaid expenditure must also be reported as a "Non-Monetary Contribution" on Schedule A. The forgiven unpaid expenditure does not have to be reported as an "Expenditure" on Schedule B.